



**GOVERNOR DIRK KEMPTHORNE**  
**White House Conference on Aging**  
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It is a pleasure to be here today. I want to thank Chairman Hardy and the White House Conference on Aging for inviting me to speak to you on the crucial topic of long-term care.

I would also like to thank Hal, Mary, Josefina and many of my friends who are here, as well as my fellow Idahoans...I am delighted to be with you.

I would also note that several of my fellow Commissioners from the National Quality Forum for Long-Term Care are here today, both as delegates and as committee members with the Conference. It has been an honor to serve with each of you and I look forward to our next meeting.

As appointed delegates to this Conference, each of you has been given the duty to make recommendations to the President that will ultimately set the course for public policy for tens of millions of aging Americans.

This is a great responsibility...because when you think about it... there isn't a single one of us who isn't aging. From the moment we receive that "rap on the rump", the clock starts ticking.

So this isn't an issue that affects a large number of Americans, it's an issue that affects every American.

Something more to consider: this Conference takes place once every 10 years. That means the next time we meet to talk about policy for aging Americans, the first wave of 77 million Baby Boomers will have turned 65 years old.

Chairman Hardy says the Boomers are on their way and the next time you convene, they will have arrived.

But will we be ready? Will we have charted a course forward that will allow us to meet the needs of the next great generation of American seniors?

The answer is that we must be ready. There is no more time to wait...we must take action now.

If you fast-forward 10, 20 or 30 years down the road, will we see a system that fosters dignity for elderly Americans as they grow frail and are limited by their aging bodies?

Father time takes his toll on everyone, without regard for a person's previous station... people of great achievement and influence...the system may not recognize who you used to be.

When you're in a hospital, and the back of your gown is open, it's not going to matter that you were a CEO, the draft of cold air is still going to feel the same.

I know this from recent experience...a year and half ago I had to have back surgery, in fact, I had to have two back surgeries. Thank goodness I have a loving wife, in Patricia, because here I was the CEO of a sovereign State and I had to have my wife put my socks on. I had to have her assistance so that I could roll in bed and her assistance to get out of bed. It was pretty humbling.

And yet, I knew that I would recover...I had the finest in medical care and a loving family. I knew I would recover because I still had age on my side. I was not on a glide slope, knowing that that was as good as I could expect.

We must begin to prepare a system that will preserve the dignity of our seniors. The golden years of life ought to be polished with a reverence for a lifetime of accomplishment, not tarnished by a moment of limitation.

As a Governor, I can clearly see that the genesis for such a revision should start with the states. I see the impacts that long-term care services are having on state budgets, even today.

Over the past decade, Medicaid spending on long-term care services for the elderly and the disabled has nearly doubled, increasing from just under \$46 billion in 1994 to nearly \$90 billion in 2004.

Long-term care accounts for approximately one-third of all Medicaid spending nationally and is one of the fastest growing expenses in every state's budget.

The spiraling costs of long-term care threaten our ability to provide critical services to our citizens, including public safety and education. In fact, in 2003, total Medicaid spending surpassed elementary and secondary education spending for the first time and is now the largest single appropriation in overall state budgets.

Spiraling health care costs are placing grandparents and grandchildren on a collision course to compete for the same finite resources and it will lead to the difficult proposition of choosing between the care of our elderly or the education of our children.

This is not a situation that any grandparent wants.

That is a grim prognosis for a system that is designed to care for our most frail and vulnerable citizens, but it is the reality if we do not take action now to modernize long-term care in these United States.

Over the past several years, I have been working on exactly this issue. In 2003, as Chairman of the National Governors Association, I made long-term care my Chairman's Initiative for the year.

During that time, I traveled around the country meeting with academic and business experts on long-term care, as well as state and federal government officials who run these vital programs.

As a result of that effort, two nationally televised programs were aired on PBS and the NGA published a series of policy papers highlighting the best practices for long-term care at the state, federal and local levels.

Through that initiative, we began a national movement to help states prepare for the coming generation of Baby Boomers.

And I'll tell you something else I learned: during that period of time – every person I talked to, whether it was a college professor, a reporter or even a Governor – everyone has a personal story of a loved-one who is in need of long-term care.

As part of the 2004 NGA Summer Meeting in Seattle, I held a town hall meeting with caregivers and other Governors to talk about the implications of long-term care at the personal level and at the policy level.

We held this meeting as part of a PBS production called, “Thou Shalt Honor”, which aired this past summer.

As they went around the room, they asked some of the caregivers to talk about the personal issues they face in their individual situations. Then they would ask the Governors to respond to some larger policy questions.

What was interesting to me, and what was very telling about this issue, is that before any Governor talked about policy, they first told a very personal story about their relationship as a caregiver to someone in their life.

There were many times during the taping of that program that it became very emotional.

You see, long-term care is not simply a policy issue...it is a personal issue.

When I talk about caregivers, I am often reminded of my years as a college student at the University of Idaho, where I used to work nights as an orderly at Gritman Medical Center in Moscow, Idaho.

During my time at Gritman, I had a real education about what it means to be a caregiver...

I remember with one particular gentleman, time had created a very distinguished face, and it was creased with many wrinkles. One morning I was asked to give him a shave. I lathered him up and begun meticulously trying to get into every little crevice. He finally took the razor and within one minute he had finished shaving his face...with thirty cuts. He put the razor back in my hand...I looked at his face and then at the razor. Just then the supervisor walked in and looked at me.

I also will tell you about an elderly lady named Mrs. Kennedy. When I first met her as a patient, she was one of those who only laid facing the wall. She was despondent and she would not talk to me. When I tried to greet her in the mornings and get her to take a walk, she would simply moan and say "leave me alone."

But, I persisted...and finally one morning, to everyone's surprise, her call button came on. I went to her room and she said, "Young man, get me those slippers because we are going to take that walk that you have been talking about."

I said, "Now that's the spirit Mrs. Kennedy!"

So I helped her walk around the floor of the hospital. Two days later she was scheduled for surgery. And, I heard the discussion that took place, and I knew that she wasn't ready. But, the next morning I helped prepare her and placed her on the gurney that would take her to the operating room.

As I looked down on her, I told her that I would be waiting for her, that I would be right there when she got back. And she reached up and put her hand around my neck and pulled me closer and gave me a kiss on the cheek. And she said, “Sweetheart, you have been wonderful, but I am not coming back.”

I said, “Mrs. Kennedy what do you mean.”

And she said, “I don’t want to go on like this”...and she said “goodbye”.

I said, “Mrs. Kennedy, I will be waiting for you”.

Mrs. Kennedy died on the operating table...because she had lost the will to live. That precious, precious thing...the will to live.

I also know what it is like to be a son and a caregiver to elderly parents. My mother was an angel...I have known that all my life. But some seven years ago she was the victim of a stroke. She became a prisoner of her own body. I watched the women that had always lived with such great dignity, and always been there to help everyone else...I watched her become the one who needed the help...and there were gaps in that help.

My father was a champion. Being in his late eighties, he devoted the rest of his life to taking care of her, but we lost her about a year and half ago. It just confirmed to me that even angels could grow tired and pass on. My father, bless his heart, is still with us and is doing fine.

I believe we must take action to ensure that the system that is in place for America’s seniors to have both the health and dignity of the individual is always in place. We owe it to them to make sure it’s the best it can be.

As the principal payers of long-term care services, state Medicaid programs are the natural laboratories for such significant change. But out-dated federal regulations often act as a roadblock to real reform.

If we are truly going to solve the problems of the current long-term care system, we must turn our focus away from an antiquated, regulation-based system and toward one that focuses on results.

That is why I recently proposed a series of common-sense reforms that will modernize Medicaid in the State of Idaho and significantly change the way we approach long-term care under this program.

We will focus on results instead of rules, outcomes instead of cumbersome regulations.

It is a vision of what Medicaid and long-term care should be...not just of what it's allowed to be under the current bureaucratic framework.

We will direct services toward quality of care instead of using the “one-size-fits-all” approach of offering the same services to everyone, regardless of need.

As you all know, Medicaid enrollment is based on a multitude of eligibility categories. I am proposing that we reduce that to three separate programs: low-income children and working age adults; individuals with disabilities or special health needs; and the elderly.

These programs will have different policy goals and objectives based on the needs of those in each respective program. For example, low-income children who are relatively healthy will have a program focused on primary care, prevention and wellness.

It is important to realize, even from a long-term care perspective, that individuals do not develop chronic illness only when they turn 60. The habits that lead to those conditions are often developed at a much younger age.

And we're seeing this in America, today.

In fact, for the first time ever, since we've been able to track this data in the United States, Type 2 Diabetes...commonly referred to as "adult onset diabetes"...is being diagnosed in children.

This is the beginning of an epidemic – some studies even suggest that if this trend of chronic illness among America's youth continues, today's generation of children will have a shorter life expectancy than their parents.

As a nation, we cannot allow this trend to continue.

We must be proactive in our efforts to reverse it, so that kids can be healthy and future generations of Americans – who will one-day be served by the programs we're here to discuss today – will be as healthy as possible when they begin to use those services.

We must also be proactive in eliminating barriers that prevent people with disabilities from seeking employment. And we will significantly enhance an individual's ability to choose and direct the services that are most appropriate for him or her under a model of self-determination.

The program for the elderly will focus on strengthening support services through family and informal caregivers and helping individuals stay in their homes and communities longer rather than being forced to rely on more expensive nursing home care.

Today we have a system that requires that, before we can help someone in their home, they must become so frail that they qualify for nursing home level care. Does this make sense to anyone? It is wrong and it should be changed.



We know that a spouse, a child or even a neighbor, is caring for many of those individuals who have not yet deteriorated to the point that they qualify for long-term care services under the Medicaid program. In many cases, the care they provide is keeping their loved one from needing the more intensive and expensive services offered by Medicaid.

But we also know the health of the caregiver is often fragile, and that the stresses and physical exertion of providing care can sometimes lead to a health care crisis for that individual, as well.

So what's the result? Unfortunately, what is becoming an all too familiar story, is that the person on the brink of qualifying for Medicaid is often pushed over that line, and is now relying entirely on Medicaid for his or her care...and sometimes that means actually deteriorating to a point where they need to go into a nursing home.

Again, this doesn't make sense.

So, I am proposing to significantly increase respite care and training for those informal caregivers who are taking care of a loved one.

By proactively addressing the needs of the individual who requires care, as well as the caregiver – collectively – we will extend the period of time that individuals do not rely on Medicaid and thereby reduce the overall cost of the program. It makes sense!

Seniors want to remain in their own homes...sometimes they just need a little help to do it. And, we should provide that help.

We should also promote the use of non-Medicaid financing options for long-term care, like reverse mortgages and the Long-Term Care Insurance Partnership program – a program that allows individuals who purchase a qualifying long-term care insurance policy to rely on Medicaid only after their policy has been exhausted, and without having to spend down all of their assets to qualify.

Simply put, if an individual buys a long-term care insurance policy, and if they hit the benefit cap of the policy, they will not have to become impoverished to qualify for Medicaid.

Because they took the steps to be personally responsible, we'll take the steps to reward that behavior.

Doesn't it make sense to encourage individuals to purchase long-term care insurance, instead of waiting for a serious need to arise before trying to figure out how to pay for the appropriate care?

Through a combination of the Partnership program and tax incentives, I believe long-term care insurance could be an effective tool to divert people from state and federally financed Medicaid programs, and even improve the quality of care those individuals receive.

In Idaho, as in many states, we've taken the right steps. Two years ago, I proposed and the legislature passed a 100 percent tax deduction for long-term care insurance premiums.

When you consider that many families are already taking advantage of comparable tax incentives, like Education Savings Accounts, it becomes clear that the means are there to help pay for long-term care insurance.

I would suggest that the last payment parents make to their children's Education Savings Account should be followed by the first payment to their own long-term care insurance policy.

Parents invest so much in their child's education because they want them to succeed in life. They should now take the next step to make sure, in the event of an accident or illness, that they do not inadvertently saddle their children with the expenses and the responsibility of being their primary long-term care provider.

While I believe in families taking care of families, I also believe that planning for the inevitable is the right thing to do, so that our children won't be required to take on that responsibility any sooner than may be necessary.

At this point, I am going to mention a couple of heroes of mine. It is a couple, Vern and Shirley, and they are dear friends. They are in the situation where they are raising their grandchildren. The parents are out of the picture and will be forever. But, you know the rest of the story, they are also preparing the meals for their elderly parents.

This is a growing story that is happening more and more throughout the United States. And, we need to be aware and cognizant of this...the role of Grandparents and foster Grandparents and all that they are doing for the next generation.

I make this point as you are attending this wonderful White House Conference on Aging...Please keep in mind that we are all in this together.

It doesn't begin at 60...it does begin at birth.

And if we can't make efforts and we can't be holistic and think about the well-being of the young children and their health habits, more and more it will fall to the Grandparents who will have to care for those children. It must be a holistic approach.

In order to be aggressive in promoting these non-Medicaid financing options, the federal government must take the same steps as states and provide incentives for our citizens to purchase private long-term care insurance policies.

The federal tax code should include a deduction or credit for long-term care insurance, and all states should be allowed to participate in the Long-Term Care Partnership program.

Currently, federal law prohibits all but four states from participating in this program, that should be changed.

With these recommendations, you can begin to see the steps that we need to take to implement a system that will provide the kind of long-term care that we would all want for our parents, our children, and ourselves.

It is our choice, how we will live. I believe that we will choose to live better. And I believe that if that is our choice, this is where we ought to begin. As you go throughout this conference, I hope that these principles will be prevalent on your minds.

States must have the flexibility to implement common sense reforms to simplify Medicaid eligibility, to promote home and community-based services and to eliminate arcane rules that require individuals to become frail before we provide comprehensive, supportive services and respite.

The Federal Government must follow the example of states to provide significant tax incentives that will encourage individuals to invest in non-government funded long-term care financing instruments...like a long-term care insurance policy.

And all of this must be done with an eye focused on the health, dignity and independence of our seniors, as well as future generations of Americans who will one-day use these very same programs.

As a nation, we are living longer. It is now up to us to decide if we will live better.